
SSACI
SWISS-SOUTH AFRICAN COOPERATION INITIATIVE

Strategic and Operational Evaluation
April 2010

Final Report

Sharmala Naidoo
Independent Consultant
Email: Naidoo.sharmala@gmail.com
Cell: + 27 (0) 82 908 7985

EXECUTIVE SUMMARY

Donor: SDC

Report title Strategic and Operational Evaluation of the Swiss South African Cooperation Initiative Trust Fund (SSACI)

Evaluation Methodology Document review and analysis; and interviews with key stakeholders (including SSACI staff, SDC, corporate partners, government and other representatives).

Summary

(SSACI) has earned respect amongst its stakeholders as an incubator and innovator of ideas to inform government policy. It is perceived as a successful initiative that has remained successful because of its flexibility, small size, ability to think of and experiment with innovative ideas and mechanisms and its hands-on 'can do' approach.

Evaluations of SSACI projects have found that an exceptionally high number of SSACI learners find employment after their training. Also, these learners stay in employment, often going into better employment positions after the initial employment experience. With the entrepreneurial arm, a similar pattern is found – SSACI learners have an unusual rate of success. This points to SSACI's selection procedures, to its support of learners all along the employment cycle i.e. from selection to learnership to placement to on-the-job mentorship, and to its ability to involve the private sector and match the projects to the needs and quality standards of the private sector. What SSACI does is exactly what government aims for through its various policies, strategies and initiatives.

The reasons for SSACI's success, as found in the 2005 evaluation, remain the same. These (reasons) are: a committed staff, the drive, commitment and skills of the CEO, the fact that SSACI is targeting youth employment and is therefore not spreading itself too thin, the flexibility and ability to experiment with different ways of doing things without being stalled by red tape, and the Swiss quality association that gives it an automatic advantage and branding.

Despite successes, SSACI seeks to constantly improve. There is definite scope for a refinement of activities, a ramping up and a closer, perhaps more formalized relationship with government in order to achieve the systemic impact it seeks. A number of recommendations are made with regard to this. They relate primarily to SSACI's need to improve its lobbying and advocacy, its communication and marketing, and to build on its successes by rolling out future successful projects. This involves working towards a closer and more formal relationship with government and attracting partnerships with the South African private sector to decrease its financial dependence on the Swiss.

As SSACI addresses the above, the Swiss government, in view of a medium term scaling down or ending of development cooperation assistance to South Africa, should now start to consider how best to transition out of its support to SSACI (presently only through SDC). The Swedish model for phasing out development assistance to South Africa should be considered here in terms of timeframes for implementation, other government departments/agencies being approached to

support and/or partner with SACCI etc. until SSACI is financially independent of Swiss government support.

In addition, the Swiss government should consider its support to SSACI as one element of wider support to the South African government in the area of youth employment and entrepreneurship. This is an area where the Swiss have a great deal of expertise and proven success. To this end, the Swiss government should consider a second arm of support to the South African government (the first being SSACI, on the implementation side). This would be to assist the newly created Department of Higher Education and Training with, for example, policy formulation.

The eventual Swiss government exit from SSACI should be managed in such a way that SSACI is sustainable beyond the Swiss support.

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Acronyms

| | |
|--------|--|
| BEE | Black Economic Empowerment |
| BT | Business Trust |
| CCMA | Council for Conciliation, Mediation and Arbitration |
| CEO | Chief Executive Officer |
| CETA | Construction Education and Training Authority |
| CHF | Swiss Franc |
| COIDA | Compensation for Occupational Injuries and Diseases Act |
| CSI | Corporate Social Investment |
| DHET | Department of Higher Education and Training |
| ECD | Early Childhood Development |
| FET | Further Education and Training |
| GTZ | Gesellschaft für Technische Zusammenarbeit |
| HRSC | Human Resources Science Council |
| IPAPII | Industrial Policy Action Plan |
| KZN | KwaZulu-Natal Province |
| KZNPI | KwaZulu-Natal Poultry Institute |
| LFS | Labour Force Survey |
| NBI | National Business Initiative |
| NCV | National Certificate Vocational |
| NGO | Non-governmental Organisation |
| NQF | National Qualifications Framework |
| NSDS | National Skills Development Strategy |
| PM | Programme Manager |
| PPP | Public-Private-Partnership |
| PO | Partner Organisation or Programme Officer |
| QCTO | Quality Council for Trades and Occupations |
| SA | South Africa |
| SACPO | South African College Principals Organisation |
| SADC | Southern Africa Development Community |
| SAQA | South African Qualifications Authority |
| SBC | Swiss Business Council |
| SDC | Swiss Agency for Development and Cooperation |
| SECO | State Secretariat for Economic Affairs |
| SETA | Sector Education and Training Authority |
| SME | Small and Medium Sized Enterprise |
| SPSA | Special Programme South Africa |
| SSACI | Swiss South-African Cooperation Initiative |
| SSPs | Sector Skills Plans |
| THETA | Tourism, Hospital & Sport Education and Training Authority |
| TOR | Terms of Reference |
| YDN | Youth Development Network |
| WCDOE | Western Cape Department of Education |
| WSPs | Workplace Skills Plans |
| ZAR | South African Rand |

INTRODUCTION

BACKGROUND TO THE EVALUATION

The Swiss-South African Co-operative Initiative (SSACI) Trust was established in 2001. This followed discussions between the Swiss Agency for Development and Cooperation (SDC) and a number of Swiss companies trading in South Africa on how best to support South Africa with its related problems of high unemployment and a low skills base. These discussions led to the establishment of a trust fund (the Deed of Trust was formally signed in February 2001), with equal capital from SDC and the private companies.

As stated in its Deed of Trust, SSACI's principal objective is:

“To identify, select, finance and monitor projects that promote, foster and advance educational and job opportunities for disadvantaged, young South Africans in order to enable them to obtain employment... It is envisaged that the activities of the trust shall lead disadvantaged South Africans to a sustainable livelihood and will contribute to economic growth and less inequality within South African society, thus alleviating poverty and achieving a higher development potential.”

SSACI aims to achieve the above through focusing on skills training for new entrants into the job market. Projects are used as "hard evidence" to show the different possible approaches¹ - ultimately for successful initiatives to be replicated on a larger scale by government. The South African government is central in addressing the discrepancy between skills acquired by youth in training institutions and the application of skills or competence requirements of the private sector.

Hence SSACI aims at systemic impact and sustainability by demonstrating successful initiatives, by piloting projects, and through partnering with government in project implementation. All of these have the broader intention of improving government's policy implementation.

SSACI measures its success by the extent to which it is able to inform and influence policy so as to have greater reach and impact on youth employment.

After a number of project evaluations and Board discussions SSACI's Board of Trustees adopted a new strategy in 2009. The document (Strategy for 2010+) clarifies SSACI's priority sectors, namely Tourism & Hospitality, Renewable Energy, Engineering Trades, Early Childhood Development (ECD) and Rural Health Services (RHS). Government has prioritized these sectors because of their high potential in terms of job creation, growth and innovation.

¹ Examples of these different approaches include the fact that SSACI trains for employment i.e. counts how many people actually get employed (as opposed to how many people get trained) and the strong emphasis on building linkages between government programs and the private sector.

PURPOSE OF THE EVALUATION

SSACI has been in existence for almost ten years and there have been a number of contextual, operational and strategic changes in this time. Some of the original founding corporate sponsors continue to support SSACI, while others have ended their commitment. New sponsors have also come on board.

An evaluation of SSACI in 2005 concluded that 'SSACI's sustainability is critical to the whole program. It became obvious that financial support exclusively from the Swiss partners (SDC and Swiss companies) had to be complemented with greater ownership and support from the South African government and private sector in order for the initiative to be sustainable and to have greater impact.

The Swiss Development Cooperation commissioned this evaluation report in February 2010 to serve the following purposes:

- To strengthen SSACI's ability to implement the strategy and to achieve systemic impact;
- To inform decisions by SSACI's Board of Trustees on improvements to the existing structures and operating procedures;
- To support the definition and the implementation of a funding strategy;
- To support SSACI's management to adapt to new challenges and requirements;
- To inform the decision making process on whether and how the SDC can support SSACI beyond the present phase.

In essence, this evaluation should answer five key questions viz:

- Did SSACI reach a systemic impact and how can it go further?
- Has it done well?
- Are the funded projects relevant?
- What are the priorities in terms of the implementation of the 2010+ strategy?
- Are the structure, the internal processes and the tools of SSACI adequate?

EVALUATION METHODOLOGY

The evaluation consultant interviewed SSACI staff and Board members, corporate sponsors in South Africa, representatives from national and provincial government as well as potential new South African corporate sponsors.

The consultant also conducted:

- A review of all relevant SDC and SSACI documents, including various written and electronic documents provided to her by SSACI, SDC, the sponsors and other interview partners or taken from other sources of interest. This review included Board meeting documents, strategies and project reports and evaluations;
- Interviews with Board members and SSACI personnel;
- Interviews with project partners;
- Interviews with other stakeholders such as corporate sponsors, SDC staff and government officials.

II CONTEXT AND HISTORY

South African Political and Economic Context

In 1994 the new South African government inherited an economy that had systematically disadvantaged the larger part of the population. For almost a half-century, Blacks had been subject to an intentionally second-class education combined with the Job Reservations Act enabling only Whites to become trained artisans. This prevented a significant number of young people from entering the labour market.

Since the early 1990s, retrenchments and job losses have increased at an annual rate, especially in the mining and agricultural sectors (153,000 and 195,000 jobs lost respectively) - and of late, in the manufacturing and textile sectors due to the 2009 economic crisis.

SSACI was initiated at a time when the South African Government recognized the Herculean task of creating employment while also addressing the issue of youth unemployment. However, since that time there have been a number of political and economic changes that have impacted on SSACI's work both directly and indirectly.

The Joint Initiative on Priority Skills Acquisition (JIPSA) was an initiative that was launched with much energy and fanfare in 2006. JIPSA aimed to foster government and business working together to speed up the development of skills most needed in the economy. This was a key part of the larger Accelerated and Shared Growth Initiative for South Africa (ASGISA). But, JIPSA has had little broader impact with limited pockets of success.

There have also been a number of political changes. A key change has been that of President—from President Thabo Mbeki to Jacob Zuma with Kgalema Montlante as interim President. While this change in the highest office, with the resultant cabinet changes, did not herald significant changes in government policy related to employment creation, black economic empowerment, skills development and youth development, there have been more subtle shifts in emphasis and different initiatives being launched.

Firstly, a revised Human Resource Development Strategy was introduced in April 2009, which placed greater emphasis on vocational skills training – this strategy is currently under review as stakeholders rejected it. A Quality Council for Trades and Occupations (QCTO) was created in March 2010 to promote and quality-assure occupation-specific training in industry. A key aim of the QCTO is to “reduce the current 12'000 occupational qualifications, with their innumerable overlaps and duplications, to a more manageable 800, and to streamline the process of accrediting training programmes and service-providers” (Forthcoming SSACI Activity Report). However, the QCTO has not yet become operational.

Perhaps the most important feature of the present context is the impact of the global economic crisis on the South African economy, with the resultant impact on youth unemployment and skills development. Growth in South Africa's GDP fell from an average of 5.5% in the 2005-2007 period, dropping to 3.7% in 2008, went into negative figures at the end of 2008, and averaged 1.8% for that year as a whole. Unemployment worsened in 2009 as overall employment declined by 870 000. Overall employment in 2009 declined by 870 000 jobs, worsening/increasing/affecting unemployment figures. Despite the onset of economic recovery, with GDP growth of 3.2%² during

² Quarter on quarter seasonally adjusted and annualised (real GDP, adjusted for seasonal variation and annualised)

Quarter 4, the recovery of the labour market appears weak. This effect is likely to be protracted, delaying full economic recovery for some time.

In an effort to reverse the effects of this crisis, the South African government has put in place rapid interventions. Such interventions include the Retrenchment Assistant Plan of merSETA and the Training Layoff Scheme administered through the Council for Conciliation, Mediation and Arbitration (CCMA). These projects entail putting money aside for the training of people earmarked for retrenchment. These are efforts to ensure that the skills that have been developed prior to the crisis are not lost. These interventions are however, criticised for not achieving their intended objectives, mostly due to the bureaucratic processes that companies have encountered in accessing funds. As a result, these interventions were too slow, leaving some companies with no option but to retrench. If South Africa is to address this challenge meaningfully, a vital aspect would be to provide the labour market with the optimal skills.

Government has also introduced a framework geared towards upgrading both skills and machinery, as well as advocating measures to protect the textile industry. The revised 2010 Industrial Policy Action Plan (IPAPII) could be seen as a step in the right direction by the government. It is not only focused on diversifying the economy, but also aims to ensure a stronger integration between sector strategies and skills development plans. The ultimate objective is to ensure that training or skills development is aligned to industry needs. The industrial policy will also encourage investments in sectors where growth is anticipated. But, all these credible efforts are probably too little too late to arrest the ever-increasing unemployment trend. Success will depend upon commitment by all parties and partnerships amongst all stakeholders, and the willingness to consider alternative and innovative approaches – specifically, financial commitment from government is crucial to ‘kick-start’ (some of) the identified sectors.

Perhaps of most significance to this venture is the creation of a completely new Ministry, the National Department of Higher Education and Training (DHET), which recognises the strategic importance this area has to the economy, and to social cohesion. The new department has stated that the Further Education and Training Colleges will be given the highest priority. It is also reviewing the mandate and work of the Sector Education and Training Authorities (SETAs), which are mired in problems of non-delivery and financial mismanagement. Here the aim is to make them more effective.

SSACI has indicated that it has been difficult for them to liaise with government during this period of restructuring.

While this reorganization may take valuable time, with the risk of initiatives such as SSACI slowing down their activities until there is policy clarity and coherence, it also poses a substantial opportunity: That is, to use this period of reorganization and reprioritisation to inform the new leadership and staff of SSACI’s activities, to establish strategic relationships with the new key government role-players, and to inform policy in a more proactive way, since the new Ministry is actively seeking new inputs and success stories to build on.

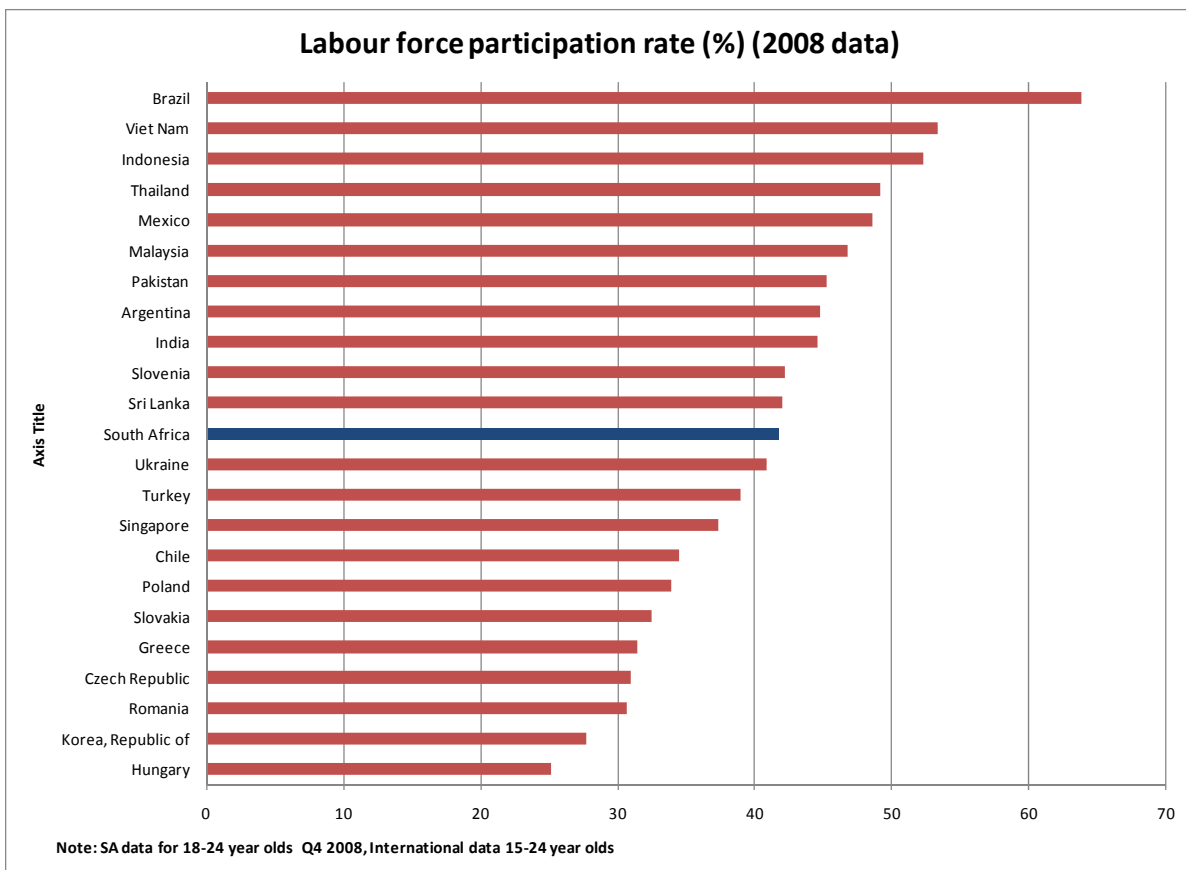
Youth Employment, Skills Development And Vocational Education And Training

Youth Unemployment

SSACI's establishment was motivated by the high rate of unemployment amongst the youth, particularly the out-of-school youth in the 15-26-age range. According to the Q-4 2009 Labour Force Survey, about 4 165 00 youth are unemployed (StatsSA, 2010). Of the 870 000 jobs lost during the same period, 610,000 (70.1%) were jobs occupied by young people between the ages of 15-34 years. Significantly, 2,544 million had an education level of less that secondary schooling. The majority of this cohort is African.

Two thirds of the jobs lost in the economic crisis were those of workers under 30 years of age; young people were most hard hit by the economic crisis. Youth employment in SA fell by 13.6% or 219 000 jobs in 2009, with the official unemployment rate for youths aged 18-24 being 48.1% by the end of 2009. This translates into 1.3 million unemployed young persons, one of the highest tallies in the world (as indicated in the graph below), and representing over 30% of overall unemployed in South Africa. The willingness of the private sector to train potential new employees has also simultaneously waned, as has their willingness to employ new staff, particularly where these are recent entrants into the labour market.

The graph below shows the low participation rates (labour force; employed + unemployed over the population) of the youth. In particular, South Africa's relatively low youth labour force participation rates combined with high youth unemployment rates, highlight the plight of youth in SA.



President Zuma, in his 2010 State of the Nation address, outlined a number of issues relating to challenges the country faces with youth unemployment.

A number of interventions that would be undertaken to mitigate the systemic problem of youth unemployment were mentioned. One intervention offers to subsidise employers to incentivise them to absorb inexperienced staff to participate in job training. Another intervention is the expansion of public programmes such as infrastructure, literacy, home-based care, school maintenance and early childhood development. The government has set itself a target to raise employment of young school leavers by a further 500 000 by 2013. These initiatives are new and must still prove their impact. It is important to note that the kind of transformation required to draw in the millions of unemployed people into the mainstream economy is a major undertaking, and will not happen overnight.

With the new Department of Higher Education and Training still being established (recruitment is presently underway) and the impact of the crisis being felt keenly on youth, the context of SSACI's task of training youths for employment is made all the more difficult.

Learnership Model and Sector Education and Training Authorities (SETAs)

The learnership programme³ has been widely criticised for its failure to make any meaningful impact on youth unemployment. Youth movements, including the National Youth Development Agency, argue that interventions such as learnerships, internships, and the proposed employer's subsidies, turn young people and graduates into glorified slaves of companies whose interest is maximising profits.

They argue that learnerships have not succeeded in ensuring sustainable re-absorption of learners into the labour market. Indeed, a learnership over one year basically repeats apartheid by producing semi-skilled people, while at the same time companies complain that they cannot get skilled artisans. Should the learnerships be able to proceed in training up to level 4 or 5 this problem would be solved. Clearly, government and the youth movements need to work together to encourage the unemployed youth to take up the opportunities that government creates, even if this means setting aside the higher issues surrounding the politics of the structure of the economy.

The intention of internships was to enhance employability and to build scarce skills amongst young graduates. However, this initiative has also largely failed to achieve its objectives because employers saw an opportunity of getting cheaper labour to maximise their profits. As a result, the country is sitting with huge skills shortages that contribute to the backlog in service delivery. An example of this is the shortage of engineers.

For proper implementation of internship programmes, a good monitoring and evaluation mechanism is vital. This could ensure, for example, that trainee accountants are not made to do clerical tasks but will rather be exposed to the actual content necessary for their development and absorption into the labour market beyond the training period. It also involves capacitating those who are responsible for interns. These people must be willing to mentor and guide their interns, and they must have the skills and ability to convey their know-how.

³ The Learnerships Drive is one-year in-service (within companies) vocational training programme administered by the SETAs and financed from a 1% levy on all company payrolls.

The SETAs have had their own challenges. Their training programmes were informed by Sector Skills Plans (SSPs), which are flawed. The process for developing SSPs is as follows; companies submit Workplace Skills Plans (WSPs) which are a list of training programmes they would like the relevant SETA to fund; WSPs are informed by employee 'wishes' – so hardly based on strategic HR planning which should be informed by the overall Strategy of the company. Companies do this for mere compliance with SETA regulations. The plans mostly do not reflect the long-term strategic skills needs of public or private institutions concerned. At the same time, the WSPs aim to develop aggregated Sector Skills Plans (SSPs). These plans are the basis for the scarce and critical skills list, and they are only available at national level.

Moreover the WSPs and SSPs are developed in a decentralized manner by each SETA despite a number of skills required across sectors. Certain skills such as electrical engineering and mechatronics are needed across sectors and therefore cannot be allocated to one sector. The training of such skills is therefore done across a number of SETAs, leading to a duplication of training initiatives.

In addition the SETAs have been beset by poor results, allegations of corruption and general mismanagement. Government has commissioned a much-welcomed review of the SETAs and the sector awaits possible changes that may arise from this.

Further Education and Training Colleges (FETCs)

The Presidency has called for the Department of Education to absorb the school-aged, out-of-school youth, into FET Colleges. This comes after huge investments, starting in 2006, to recapitalise this sector. The renewed investment in FET Colleges through the recapitalisation programmes can be seen as another recent commitment and effort by the government to enhance the preparedness of the unemployed youth for transition into the labour market.

Government acknowledges however that the FETCs receive less attention when compared to the Higher Education Institutions (HEIs) in terms of research, policy, planning and budget. Also, there is limited research available that provides nuanced pictures into the colleges and what makes them function or not. The Eastern Cape remains the only province in the country that has a pictorial view of the FETCs in terms of its strength and weaknesses. In 2008/09 it conducted a systemic audit of all its eight FETCs with the aim of getting a sense of how the optimal functioning of the colleges could be maximised. A challenge highlighted by the study is similar to what is outlined above by the Office of the President: the lack of research, policy and planning and funding⁴ in the FETCs (amongst other things).

Also highlighted is the lack of qualified lecturers. This compromises the quality of education. SSACI has picked up on this challenge and has sought to address it through its FETC Training project that began in 2008. It would be ideal to replicate the Eastern Cape study countrywide to get a sense of the status quo of the colleges and to consider the replicability and expandability of the SSACI project to address this specific issue.

⁴ The target to enrol 1million learners nationally in FETCs by 2014 is only achievable if more funding is made available to build the necessary infrastructure. Even if colleges run 24/7 the existing infrastructure in some colleges does not allow the rise in enrolment.

III SACCI: ORIGINS AND STRATEGIC OBJECTIVES

The Swiss support to SSACI

Switzerland together with Germany and Austria has a world-renowned system of skills development, particularly for youth. Their quality of, and approach to vocational education and training, is recognized as amongst the best internationally, and certainly within the Organization for Economic Cooperation and Development (OCED). The most striking factor in Switzerland is that more people are choosing vocational/occupational training over the academic route. Also, this system is 'flexible' in terms of accessibility i.e. even if a learner does an apprenticeship, s/he always has the opportunity to access higher education at a later stage. Sharing the Swiss experience and bringing to the new democratic South Africa the Swiss value-add in an area where the Swiss has proven best practice was the starting point for the birth of SSACI. SSACI developed from a desire to share the Swiss experience, and to bring to the new democratic South Africa the Swiss value-add. Here, the Swiss clearly show best practice.

The Swiss Development Cooperation (SDC), the development cooperation agency of the Swiss Ministry of Foreign Affairs, have worked in South Africa since the 1980s, firstly in support of civil society organizations, and post-1994 in support of the democratically elected new government. In 2004 with SDC's focus shifting from a national to a regional program it reprioritized, and considered how best to maximize it's potential in South Africa, which has relatively more resources for sustainability of a donor initiative.

The idea was for SDC partnering with the Swiss private sector in South Africa. Strong corporate social responsibility programmes were already being implemented by the Swiss private sector in South Africa. This led to the establishment of SSACI as a Trust Fund on 1 March 2001 through a co-funding arrangement, with SDC contributing CHF1million and ten Swiss corporate sponsors matching this, making a total of CHF2 million over a five year period, to assist South Africa with youth employment and entrepreneurship and skills development.

SSACI's Niche

Established as a Trust, SSACI's Deed of Trust states that its intentions are to: "advance educational opportunities for disadvantaged young South Africans in order to enable them to obtain employment". SSACI has sought to support the South African government's policies and strategies in this area with innovation and by experimenting with various models in order to inform policy and practice. SSACI does not measure its success in terms of the number of unemployed youth who are put into the labour market or who become entrepreneurs through SSACI's projects, *but in terms of the extent to which its successes are made more sustainable through being adopted and expanded by government.*

The core business of SSACI is "providing financial and technical support to vocational training and job creation projects for unemployed young South Africans, especially those from disadvantaged backgrounds" (Annual Report 2007/2008). The three main components of SSACI's activities focus on vocational skills training (at 56%, the largest portion of SSACI's expenditure), youth enterprise development and special projects (including small grants and research) with life skills training as a cross-cutting element.

SSACI works in partnership with civil society organizations such as the Joint Education Trust (JET), more recently with the MerSETA, with FET Colleges and with provincial and/or national government on a project basis. The partnerships SSACI enters into are based on the extent to which they are able to advance strategic SSACI's goals.

The SSACI Model of Training

A combination of factors contribute to the success of SSACI in terms of both the number of youth trained and the subsequent employability of these trainees. Importantly, SSACI's well-designed selection process, which chooses those learners who show initiative and are more likely to succeed, contributes to the projects success. Also, SSACI offers support throughout the training lifecycle i.e. from selection through to work placement with mentoring and life skills as an integrated part of all SSACI projects. This combination of technical skills, life skills, practical experience and mentorship is the most significant feature of SSACI's work, and ensures that a greater number of youth are either gainfully employed or become successful entrepreneurs.

Clearly this model works. A March 2009 independent evaluation of SSACI's vocational training projects which included a tracer study of 50 graduates across five programmes, concluded that "SSACI is also getting much higher rates of employment than any other programme we have ever encountered" (Singizi, March 2009). In the period 2001 to December 2009 SSACI's numerical outputs were 4120 training graduates, 3200 formerly unemployed youths employed and 378 new micro-enterprises created. The number of new jobs created was 1360. Appendix 4 is a SSACI document that further details these figures.

Hence despite being a relatively small player in the youth employment and skills development sector, SSACI has achieved substantial results through its flexible approach, dedication and creative ideas.

The Period 2005-2010: Responding to the 2005 External Evaluation⁵

The 2005 external evaluation made a number of recommendations at strategic and operational levels, which SSACI has since acted upon. This section summarizes the progress made on these recommendations as a reflection of SSACI's growth and development in the period to date.

Selected Strategic Matters

SSACI conducted a lengthy strategic planning process involving both trustees and staff, and from this developed a long-term strategy that was most recently updated in 2009 and summarized in the document *Strategy for 2010+*. Various communications materials for corporate sponsors have also been developed, including an information booklet for prospective donors, print and electronic materials for use in presentations about SSACI, information CDs on various projects and display posters.

In terms of broadening its sponsorship base, SSACI commissioned communications consultants who suggested that the "Swiss brand" is useful both as a PR tool (it is seen as a hallmark of quality in technical fields) and as an attraction for sponsors who want to have a distinct "tribal" identity. There are still many companies with Swiss connections that might be interested in supporting

SSACI. The Board therefore decided that SSACI will continue to operate with a predominantly Swiss-South African character, i.e. most funders will be distinctly Swiss or South African.

To avoid the pitfall of most knowledge residing with the CEO, SSACI expanded its management team to three people. SSACI's principles and managerial and administrative processes are outlined in a 2007 Operations Manual.

To improve feedback and lesson learning SSACI now asks all its project partners for feedback on the lessons they have learnt during the implementation of SSACI funded projects. This was done as part of SSACI's 2008-9 review of its programme.

Regarding the issue of project level sustainability, since 2005, SSACI has only engaged in projects that have clear potential for being sustained beyond the period of SSACI support. Increasingly SSACI seeks to devise and implement projects in collaboration with government departments. Examples of this include flagship projects such as the FET Colleges project and the Human Resources for Rural Health project. SSACI has selected "flagship projects" to support in phase II.

In terms of the institutional weakness of some partner organisation's project level, affecting delivery, SSACI very carefully chooses implementing partners. Where possible SSACI will work with established organisations. However, an absence of mature, professional service-providers in a particular field has at times obliged SSACI to work with small or immature organisations that have required considerable OD support. SSACI has written a policy and procedures document for dealing with "sick partners", i.e. partners in organisational crisis.

SSACI has also developed a comprehensive communication strategy which resulted in the development of, amongst other items, a comprehensive corporate identity manual defining the format of all SSACI documents, presentations, images, etc, mass sms and e-mail releases to sponsors and government officials on four national holidays (these relate to SSACI's activities and include Worker's Day, Women's Day, Youth Day and Children's Day) and a series of breakfast functions for key government officials. The implementation of the communications strategy faltered during 2009, when SSACI attempted to do communication in-house and part-time. This strategy is being reviewed.

Operational Matters

On the operational side a major recommendation of the 2005 evaluation was for SSACI to expand their learnership model through discussions with SBC, SETAs, NBI, Business Trust, FETs, SAQA, and other relevant government departments and institutions. SSACI has had extensive engagements with all the parties suggested here as well as with others. However, due to the fact that the South African skills development system is complex, incoherent, and in flux, this is ongoing work.⁶

⁵ This section is drawn largely from SSACI's document detailing action on each of the recommendations of the 2005 evaluation.

⁶ SSACI states: 'The learnerships are an excellent example of this. The notion of what a learnership is has changed considerably since 2005, as have the regulations governing them. They are currently being re-conceptualised for the umpteenth time and a new body (the QCTO) has been created to oversee them, but will not be functional until mid 2010 at the earliest. Meanwhile, different SETAs implement learnerships in different ways.'

The staff complement has been expanded to 5½ - this is up from 2 in 2005 job descriptions, and employee specifications for all establishment posts. SSACI has also consolidated its operations and project management. It's portfolio never exceeding 7 projects at any given time (down from 14 in 2005), with all projects larger and potentially more significant than in the pre-2005 period.

Lesson learning and networking has been enhanced. This aims to capitalize on lessons learnt and to maximize the learning through, for example, the dissemination of the Singizi reports and two glossy brochures - on supporting youth entrepreneurs and technical and vocational education and training for youth. Several information seminars on lessons learnt have been run for targeted audiences (government, development professionals, NGOs) in 2009 and 2010.

Conclusion on progress since the 2005 evaluation:

It can be concluded that SSACI has taken the recommendations of the 2005 evaluation very seriously and has applied itself and engaged the Board and its other stakeholders in order to effect the necessary changes in terms of both its strategy and its operations. The SSACI that is being evaluated in 2010 is a significantly different organization to that evaluated in 2005. This demonstrates SSACI's commitment to being a learning organization.

Addressing HIV and AIDS and Gender

In terms of gender SSACI seeks to ensure that at least half of all project participants are female. SSACI has taken this approach since its inception. The approach ensures that typically male-dominated areas of work have a higher female component through the SSACI projects. In its next phase of development SSACI could address some of the structural causes underpinning the gender imbalances and the status of female youth. As indicated in the discussion below, SSACI has invested an admirable amount of time, money and effort into ensuring that HIV and AIDS interventions are addressed in all of its projects. The same level of effort should be expended to fully integrate gender issues into SSACI projects, especially in consideration of the fact that SSACI is an incubator of approaches and methodologies and that there is an inextricable link between power, gender relation and HIV and AIDS.

With HIV and AIDS, SSACI had initially requested that all projects address this issue, without prescribing how. A SSACI review found that without exception, all the HIV and AIDS components of the project were limited to awareness raising. SSACI therefore decided to explore other ways to incorporate HIV and AIDS issues into their projects so as to translate awareness into behavior change. After a train-the-trainer set of workshops with all the then SSACI-supported projects, the next phase was to tailor-make a model that could be incorporated into all new SSACI-supported projects. A three-day workshop was developed which incorporates HIV and AIDS into life skills, aimed at the project participants. This has run with the Accelerated Artisans Skills Training Project and the Hospitality Skills for 2010 Project, amongst others.

While there is an attempt to measure the impact of the 3-day intervention, given the confidentiality around HIV and AIDS and the nature of the participants (youth who may not necessarily have access to postal services to return an anonymous questionnaire, for example), SSACI could, going forward, consider other ways in which to determine the success of this approach. SSACI could also find ways in which to accelerate safe behavior amongst its project participants.

SSACI's strategy for 2010 onwards⁷

SSACI summarizes that its effectiveness in addressing South Africa's skills shortages and youth unemployment can be attributed to its:

- i. Focussing on skills training for clearly identified work opportunities that can be accessed by new, young entrants into the job-market;
- ii. Careful selection of training service-providers and prospective trainees;
- iii. Comprehensive preparation of youth for the world of work through a combination of technical skills training, life-skills training, workplace-based experience and post-training placement and support i.e. support all along the training cycle;
- iv. Careful attention to efficiency and cost-effectiveness;
- v. Rigorous monitoring and evaluation procedures.

There may be a window of opportunity at this moment for the SSACI model of training to be replicated on a much larger scale, now that the South African government is looking for new and different ways to align market requirements to skills development and youth employment. The South African government is actively seeking to partner more with the private sector thereby affording SSACI the potential to expand its training programme through collaboration with various government departments such as the departments of Higher Education and Training and Labour and agencies such as the Youth Development Agency and the various SETAs.

SSACI's two strategies to influence government are:

- i. Joint projects (e.g. the current FET College project), in which a government department participates in the implementation of the pilot project and immediately carries lessons from it over to the larger system.
- ii. "Demo projects" (e.g. the Hospitality Skills for 2010 project), in which SSACI is the implementing agency and if results are positive and sufficiently convincing enough so that a government department or agency could be persuaded, with assistance from SSACI if necessary, to replicate the project on a larger scale.

SSACI is also attempting to extend its networks and sphere of influence into other sector forums and bodies such as the NBI and the South African College Principals Organisation (SACPO) that SSACI's CEO has been invited to sit on. Attempts are also being made to involve organised commerce and industry in SSACI projects, as in the Accelerated Artisans Project (SEIFSA) and the KZN poultry-farming project (SA Poultry Producers Association).

In 2009 SSACI registered as an Employment and Skills Development Agency (ESDA) with the Department of Labour. As an ESDA SSACI is allowed to manage the placement of learners with host employers for on-the-job-training as part of learnerships, and this could provide a service for employers that do not have the capacity to manage their own learnerships. SSACI could apply for government funding in order to play this role. The ESDA registration should be seen as a positive step in the direction of SSACI becoming more proactive with diversifying its funding sources to improve its sustainability, as well as bringing it closer to government while still maintaining its independence.

⁷ This section draws heavily on SSACI's Strategy 2010+ document.

Towards Systemic Impact

SSACI, as stated, is very clear that it measures its success not in terms of the actual numbers of youth that it gets into employment, but in terms of the extent to which it can inform and influence all levels of government, through evidence from its projects, to change policy and strategy so as to get much greater numbers of youth into employment or entrepreneurship. Given that for each person employed, the lives of four others (and more in rural communities) are impacted, it seems that SSACI is being too hard on itself in terms of measuring its success. This is particularly true if SSACI is measured against other similar initiatives and government's own success rate in terms of the proportion of unemployed youth getting into long-term employment.

However, there is a lot of work remaining to effectively inform and positively influence government policy. It must be noted though that there is much that is outside of SSACI's influence in terms of informing government policy with regards alternative approaches and extrapolating lessons from projects. Some of these factors include the restructuring and changes in leadership and management at national government level and the subsequent associated destabilization of existing initiatives, as well as the ability of government officials at senior enough level to be receptive to hearing about SSACI's projects and their findings, then assimilating these messages and taking them through to policy shifts and implementation changes. Also, the sometimes impenetrable nature of government systems and processes and the effect of macroeconomic and global events such as the recent global economic crisis (the latter could crowd out the resources available for innovation and willingness and openness to be influenced – less fiscal resources and higher unemployment doesn't bode well for innovative approaches, ironically, just when such innovation is needed to save costs and increase impact).

Having said that, SSACI does need to seriously ramp up its ability to extrapolate its lessons and experiences to a broader decision-making audience in a way in which that audience is able to assimilate and act on the message. Perhaps SSACI should see its systemic impact at two levels viz. at the level of informing and influencing the major players in the sector including the government agencies such as the SETAs and the FET Colleges through its projects, and at the level of directly informing and influencing government itself through lobbying, advocacy and constant engagement. By using this approach SSACI will have greater ability to leverage systemic change since it will be a bottom-up and top-down approach simultaneously. This implies that SSACI needs to focus both on establishing and growing its relationships with key stakeholders such as those mentioned above, as well as other bodies and forums (NBI, the Business Chambers etc.).

At the same time SSACI can make use of the opportunity created by the restructuring of the education department and the new Minister and staff to establish and develop a firm relationship, with SSACI offering to test, as well as to inform, new ideas and approaches.

The FETC project as a case study:

The FETC project is a partnership with DHET that involves the selection and training of engineering students – the Swiss companies are identified and approached beforehand to take on the students as placements during the course of the training so that they get practical work experience during their coursework at college. Such placements do happen with the NCV, such as in hairdressing, but rarely with other courses such as engineering. Hence SSACI acted as an external stimulus in this case.

Within an NCV engineering program, students placed require insurance in terms of South Africa's Occupational Health and Safety Act, causing some nervousness amongst the private sector partners. SSACI played a major role in allaying fears of both the colleges and industry with regard to the insurance. SSACI took over some of the responsibilities of insurance e.g. for getting any injured student to hospital. SSACI also negotiated with the DOL in terms of the Compensation for Occupational Injuries and Diseases Act (COIDA) and reached a verbal agreement that students can be placed in workplace training under the COIDA. In addition, the MOU between SSACI and the DOE on this project took six months to negotiate and a further eight months to sign into effect. Most other organisations would have abandoned a project of this time frame.

The above clearly reveals the committed and professional way in which SSACI manages their projects. If we use this case study to look for pointers as to how SSACI could improve their systemic impact, the following could be concluded:

- This project threw up a problem in the system i.e. hesitation on the part of corporates to take on workplace training due to insurance concerns. If SSACI follows up with the DOL to ensure that precedence is set in this case, it could go a long way towards alleviating the apprehension of the private sector, and, if word of such success is spread, there is greater potential to attract corporates as partners for workplace training programs. A further avenue for follow-up could be approaching insurance companies to insure all SSACI students in work placements – as part of their CSI or at discounted rates. The insurance companies and SSACI may be natural allies in terms of lobbying the DOL on the matter.
- All indications are that the project is successful. SSACI could advertise its success as part of a strategy to advocate a larger roll out of projects – either in other provinces, or with the other colleges in each of the pilot provinces.
- Such a larger roll out could also be within other college programs (presently limited to engineering, due to the fact that the Swiss corporate partners are mainly engineering and related design).
- The SSACI selection model (for selection of college students) has been identified as successful since a much larger proportion of SSACI-selected learners find and stay in gainful employment. This model could be adopted across college programs, with minor adaptations per program where necessary.
- SSACI could lobby the South African private sector to get more South African companies involved for expansion of the initiative as well as to improve participation in such workplace training generally.
- In terms of informing policy, for the FETC a project steering committee has been formed and a DHET official sits on the committee. This ensures that lessons from the project are taken back to the government policy-makers (assuming of course, that a senior enough official represents the department on the committee). Indeed, SSACI will now fund the policy development process arising out of the FETC roundtable convened by the DHET. In this way SSACI's relationship with the DHET will strengthen. The model of a project steering committee should be explored for other SSACI projects.

IV FINDINGS AND EVALUATIVE CONCLUSIONS

The initial interviews and document analyses have noted a series of issues that are summarized below in the form of themes and issues.

The evaluation will be systematic in triangulating information and drawing conclusions. Every effort has been made during the interviews to be open and transparent, with hypotheses and general conclusions tested with interviewees during and after interviews to ensure impartiality and objectivity in analysis.

STRENGTHS OF SSACI

SSACI is perceived to be a highly successful initiative

All stakeholders interviewed were unanimous in their opinion that SSACI is successful initiative that comprises a team of professional, dedicated people who are passionate about their work. Measured in terms of the number of trainees getting placements, SSACI could be classified as successful.

SSACI has been described as ‘trailblazers’ ...

... with a flexible and innovative approach unhindered by bureaucratic red tape as government and its agencies sometimes are. The organization’s projects can take considered risks, amend projects as further findings come to light and experiment with add-ons to projects. In short, SSACI takes considered risks, and therefore has greater potential for creativity and success.

The Swiss association in SSACI marks it as an intervention with Swiss quality

Anecdotal evidence suggests that the ‘Swiss’ in SSACI implies to potential partners, as well as to government and other stakeholders, that SSACI brings Swiss precision, quality and tried and tested methods to SSACI projects. The sense is therefore not that this is yet another South African initiative experimenting in an environment that itself is fluid and experimental – SSACI is perceived to bring Swiss proven methodology and quality assurance.

SSACI is an ideal project incubator

In this way SSACI is perfectly designed and positioned to play an incubating and experimental role for ideas around enhancing youth employability, improving the quality and relevance of vocational education and training and youth employment, as well as in partnering with the private sector to ensure that the skills training matches the market requirements. Hence by working with SSACI to test and experiment with models and systems, government doesn’t have to invest large sums of resources before learning that the approach doesn’t work, as is often the case. It can be concluded that SSACI offers policy-makers an experimental arm.

SSACI has a strong Monitoring and Evaluation system

SSACI has a very strong monitoring and evaluation system with three components viz:



- **Initial screening and selection of implementing partners:** All prospective partners undergo an initial assessment, including due diligence analysis of their financial records and other credentials, along with site visits, to determine the extent of their match with our criteria.
- **Ongoing Progress Monitoring:** SSACI personnel regularly monitor Training sites. These visits, along with quarterly narrative and financial reports that must be submitted to SSACI by the service-provider, ensure that SSACI has a good sense/analysis of progress made, obstacles encountered and steps taken to address such difficulties. Typically, monitoring will take place quarterly, following receipt by SSACI of the service-provider's quarterly progress report
- **External Evaluations:** Halfway through the scheduled period of training, an external consultant is mandated by SSACI to review progress. These evaluations are formative and developmental in nature. They answer two key questions: "How are we doing?" and "How could we do better?" When the training programme has run to completion, an external consultant will, in most cases, again formally evaluate it. This evaluation is mainly for accountability and answers the questions: "Did everyone do what they were supposed to do?" and "Did we achieve what we set out to do?"

All SSACI projects are evaluated at the end of the project cycle. The learnings from these evaluations are incorporated into either Phase II or other SSACI projects. This consultant and Singizi have not encountered an organization in this or other sectors that have monitoring and evaluation so integrally built into their operations.

V RECOMMENDATIONS

Strengthening of SSACI's ability to implement the strategy and achieve systemic impact

Improve ability to inform and influence policy and strategy. The key question here is *how* to do this. Although SSACI has made great strides since 2005, as discussed above, it still has some way to go in order to have a greater impact on policy and strategy. This is not entirely within SSACI's sphere of influence however (for example, the extent to which key government officials are inclined to work with organizations outside of government, the delays caused by the restructuring of government and government priorities within the sector are all outside of the SSACI's control), hence the two-pronged recommendation below:

Recommendation 1(a): A twin approach is suggested here with SSACI on the one hand, and the Swiss, represented by SDC on the other.

SSACI should consider employing (or re-deploying an existing staff member) a lobbying and advocacy person with great networking ability, political acumen and extensive knowledge of the sector and its actors. S/he would be able to have access to senior government staff as well as with government agencies and corporate sponsors. This role may be played by the CEO, however, given the small size of SSACI and the extent of their intended reach, giving the CEO responsibilities for the above without any additional support would imply that neither the management and strategic direction of SSACI on the one hand, nor the maintaining of strategic relationships and 'putting SSACI on the map' on the other hand, would happen well. It is suggested that the role of this person would be to attend, with the CEO in most cases, the major meetings, conferences and forums, and possibly attend SETA meetings as a 'friend of SETA' in order to be able to extend SSACI's reach and influence in terms of policy and strategy i.e. to take

SSACI's successes and lessons learnt to a broader and more policy influential audience in a way in which the message is better heard and assimilated. The incumbent would lead SSACI's outreach initiatives. Some of the key performance areas could be:

Create a knowledge network forum and ensure that SSACI is actively involved in all relevant forums;

Plan, organize and attend regular meetings with the South African government, Swiss and South African (possible) corporate partners and other partners working in the sector;

Arrange workshops, seminars, roundtable stakeholder meetings and other such knowledge-sharing and networking opportunities;

Develop, implement and manage SSACI's marketing and communications strategy;

Maintain regular communication with key audiences (SETAs, FETCs, DHET, the dti, DOL, NBI, BT, large corporates etc.)

Ensure information flow to and from the SSACI Board;

Arrange for SSACI to regularly contribute practice-to-policy articles in appropriate journals and booklets to reach an audience wider than SSACI project partners, i.e. to include academics and policy-makers;

Explore the possibility of starting up a journal in the field of youth employment, skills development and vocational education and training. There is a gap in the market here and SSACI could explore a partnership with the much-respected Western Cape DOE publication to take it to a national level⁸.

Recommendation 1(b): As a second prong of support in the broader area of skills development and youth employment, SDC could consider offering the newly created Department of Higher Education and Training specific and further support. This could be in the form of a long-term Swiss technical advisor with experience of the Swiss system and preferably experience in other such middle-income countries (e.g. Mexico, Brazil, India) or in the form of short-term advisors on an ad hoc basis as the need arises.

This system of development partners offering technical support to a South African government department worked well in the 1994-2000 period when donors either seconded staff from their own government departments or paid for technical assistants (TAs) to a department – the model is able to work as long as the South African partner department is involved in drafting the terms of reference for the TA, is in on the selection panel for the recruitment of the TA and has authority to manage the TA.

A caveat here that is important for both the Swiss government and SSACI is that there are a number of international donors working in support of the South African government in this sector, including USAID and Danida. The Swiss support should therefore seek to be highly strategic and in a mutually agreed niche area, with an effort, to work collaboratively with the other donors.

Recommendation 1(c): SSACI should seek a meeting with the Director-General of the new DHET and her existing senior staff and advisors to discuss ways in which SSACI could work to support the department and to structure a working relationship. This could be with a view to enter into an MOU with the DHET, or with the DHET and the Department of Labour, with the intention of detailing exactly how SSACI could offer support to government.

⁸ The DHET recognises the absence of a journal, which straddles both policy and practice, details the latest data on youth employment and showcases successful projects. The DHET also finds the WCDOE publication very useful. Hence this is an ideal gap for SSACI to fill. A model such as that of the South African Labour Bulletin could be used, which appeals to government, civil society actors and academics.

While there is a risk that such an MOU could be ignored by government and merely be an 'on paper' agreement, this risk would be minimized if SSACI was able to prove its value-add to government policy and strategy and was able to improve its follow-up ability – by arranging regular meetings and chasing up people to ensure deadlines are met etc.

Such an MOU would be particularly valuable should a Swiss TA be placed within the DHET since it would then be part of a formal dual strategy of support to the sector by the Swiss government. Also it would cover both arms of the Swiss support. Any such MOU should naturally be fully aligned with and be annexed to the broader MOU between the two governments on strengthening mutual cooperation (signed in 2008). This would be much like the MOU signed between the South African Department of Science and Technology and the Swiss State Secretariat for Education and Research on Scientific and Technological Cooperation (signed in June 2005).

Medium-Long Term sustainability of SSACI

SDC, like most other development cooperation agencies, could increasingly have difficulty in justifying its ODA expenditure in South Africa since South Africa is a middle-income country. In view of the highly likely event of SDC moving away from development cooperation with South Africa in favour of reallocation to poorer countries, it would be wise for SSACI to consider ways in which to reduce, over the medium term, its financial dependence on SDC. The Swedish SIDA has gradually withdrawn its ODA program in South Africa, using a model of gradual phasing out and simultaneously fostering partnerships between South African and Swedish government departments and agencies (for example, StatsSA with Stats-Sweden).

There seems to be potential for using this model since such cooperation has already been initiated - the Swiss-Indian Chamber of Commerce (SICC) and the Swiss Federal Office for Professional Education and Technology (OPET) "jointly launched the Swiss-Indian VET project in 2008 in commemoration of the 60 years anniversary of the Swiss-Indian Treaty of Friendship. By introducing elements of the Swiss dual-track vocational education and training (VET) in selected locations in India, the initiative seeks to create mutual benefits for India and Switzerland. Swiss companies in India can meet their need for qualified workers and strengthen their competitiveness in India, while India profits from Swiss know-how relating to VET." (Report No. II 8 December 2009).

The advantages of adopting this approach include that the donor withdrawal will be gradual, allowing SSACI more time to define and implement an alternative funding model; SSACI will still retain a definite Swiss identity, Swiss technical and financial support (with the added advantage of bringing in other international lessons), and will reduce the risk of SSACI closing should the South African private sector and/or government be slow or reluctant to close the gap that SDC would leave.

Recommendation 2(a): The potential to adopt a similar model here should be more fully explored, as should the potential role of the Swiss OPET and the State Secretariat for Economic Affairs (SECO) since the work of SSACI does have economic impact and SECO is a long-term South African partner. Whatever model is adopted, the objective here is to mobilize other Swiss government resources (expertise and finances) to support SSACI in a transitional period after SDC funding ends. This will require all relevant Swiss representation in South Africa (SDC, the Ambassador, SECO etc.) to actively work together to consider how best this could work so as to offer a set of proposals to counterparts in Switzerland.

Recommendation 2(b): SSACI should actively seek partnerships with the South African private sector, which is slowly maturing in terms of their approach to CSI. This partnering could take two forms viz. SSACI could implement CSI projects on behalf of the corporates and SSACI could work with corporates to design, implement and finance projects. SSACI should approach the South African private sector with consideration to:

- The different CSI focus areas of each corporate for optimal matching, alignment and impact e.g. Discovery Holdings is primary health care while Rand Merchant Bank is largely focussed on culture;
- The fact that corporates could, within a particular focus area, partner with SSACI, other corporates and government to support different elements of a single project;
- The need (as with international donors) for corporate identity, branding and quality i.e. issues around brand recognition; and
- The measure of success of corporates is not around influencing government policy but around the extent to which its intervention will make a difference in terms of socio-economic impact.

There is definitely potential for SSACI to work with corporates, particularly where projects align with the interests and/or sectors of the major South African corporate players. For example, Discovery and Life Health groups may be interested in partnering on the Wits Rural Health project, presently focussed in the North West province, perhaps in rolling out to other provinces and in support of different project components.

As a starting point, SSACI should consider the publications put out annually by Trialogue, detailing the CSI focus areas of the large corporates and how they view sustainability. SSACI could also meet with Tshikululu, an organization that performs the administrative and due diligence functions of the larger corporates such as Anglo American and Discovery Holdings, for networking and information sharing purposes⁹.

Improvement in Marketing and Communication (linked to above)

SSACI produces glossy pamphlets and documents reflecting their experiences and lessons learnt, and have also expanded into more creative ways of marketing such as the sms campaign. In order to better influence policy however, this should be taken further to address policy-makers in ways in which they can better relate to. For example, SSACI could initiate and manage a knowledge network on youth employment and/or vocational education and training where all stakeholders are invited with a respected/well-known speaker addressing each session. Equally, SSACI could write up its experiences and their implications for policy in academic journals including those of the HSRC (so that the nature of the publications could be expanded). SSACI could also comment on policy papers that are published.

Recommendation 3(a): It is important that a full review of the experience of employing a Communications person be undertaken so that it is clear exactly why it didn't work as it was intended to. *It is clear that SSACI does need dedicated marketing and communication ability –*

⁹ Tshikululu checks on project proposals, assists to improve the quality of the proposal where necessary, manages the project finances and administration for the corporate and checks for example, that an NGO is 'healthy' and meets all the legal requirements before the corporate invests in it. This allows the corporate to focus on strategy rather than administration. Tshikululu is hosting a business breakfast in April 2010, with Anne Bernstein as their guest speaker on the need for corporates to 'think outside of the box' in terms of CSI. It is clearly an organization that SSACI would benefit from talking to, not only in terms of being directed to the most appropriate corporate partners, but also to consider partnering opportunities if appropriate.

there may be the option of marrying this role to the Lobbying and Advocacy person, with sub-contracting where necessary, depending on the outcome of the above review.

Recommendation 3(b): SSACI should sustain and develop its attempts to involve organised commerce and industry in its projects. This will allow it to reach a much wider audience, improving SSACI's profile and creating greater potential for funding and other forms of partnerships.

Improve follow-up ability

Being such a small organization it is clearly difficult for SSACI to follow up every initiative taken by a Board member, to attend every conference and workshop in the sector, to follow up with government/SETA to report progress (to be persistent with this) and generally to keep the SSACI flag flying.

Recommendations 1 and 2 above will both address this. The, follow-up is allocated to the Lobbying and Advocacy person, who shares the load with the CEO and other members of the management team, and who can then take the lead proactively.

Review the role of the SSACI Board

While the Trustees' Powers and Responsibilities document competently guides the working of the Board, the Board meets only three times a year (down from four). The relationship between individual Board members (and groups of Board members e.g. the Swiss corporate sponsors as a group and the two co-opted South Africans as another group) is purely dependent upon individual relationships with the management of SSACI. Given the stage of institutional evolution that SSACI is in, it is worth reviewing how to maximize the expertise and skills found within the Board to better serve SSACI. It is also important that opportunities are created for different interest groups represented on the Board to engage on particular sets of issues, and to take these issues to the Board. Most significantly, the Board should be reviewed again once South African partners are involved, since this could influence the Board's governance arrangements. The findings here touch on matters raised in the report on Capitalization of the SSACI experience, where options for business models and governance are explored.

Recommendation 4: Review the role and functioning of the SSACI Board and explore the possibility of:

Creating Board sub-committees e.g. lobbying and advocacy and finance;

Introducing Board retreats for the Board to discuss broader and long term strategy for SSACI;

Formally creating the position of a Deputy Chair on the Board;

Developing guidelines for self-management of the Board e.g. what to do if a member misses more than three consecutive meetings; and

Changing the way the two South African elected members serve, since institutional memory and experience is lost when they leave. Elections are held annually, and one year isn't sufficient for a board member to play a meaningful role, especially in view of the fact that Board meetings are reduced from four to three per year as of 2010.

Additional Recommendation: Integrate gender issues into all SSACI projects

A review of how SSACI incorporates gender issues into its projects (and perhaps even within SSACI itself) could serve to inform how SSACI moves beyond quotas in addressing gender in future. Given the high incidence of sexual violence and the relationship between high rates of

HIV/AIDS and structural gender imbalances, this issue is crucial amongst youth. The gender dimensions of HIV and AIDS amongst youth, how power is negotiated between men and women, how power dynamics influence sexual behaviour and gender in relation to social, economic and political institutions are all issues that SSACI, perhaps through integrating into its HIV and AIDS initiatives, is ideally placed to address.

ANNEX 1: Terms of Reference

Strategic and Organisational Evaluation of the Swiss-South African Cooperation Initiative commissioned by the Swiss Agency for Development and Cooperation

Background

The Swiss-South African Co-operative Initiative (SSACI) Trust was established in 2001 following discussions between the Swiss Agency for Development and Cooperation (SDC) and a number of Swiss companies trading in South Africa. It led to the establishment of a trust fund with equal capital from SDC and the private companies. The Deed of Trust was formally signed in February 2001 and registered with the Pretoria High Court in April of the same year.

According to its Deed of Trust, SSACI's principal objective is:

“to identify, select, finance and monitor projects that promote, foster and advance educational and job opportunities for disadvantaged, young South Africans in order to enable them to obtain employment... It is envisaged that the activities of the trust shall lead disadvantaged South Africans to a sustainable livelihood and will contribute to economic growth and less inequality within South African society, thus alleviating poverty and achieving a higher development potential.”

In 2009, a new strategy was adopted by the Trustees of SSACI. The document clarifies the priority sectors, namely Tourism & Hospitality, Renewable Energy, Engineering Trades, Early Childhood Development (ECD) and Rural Health Services (RHS). Those sectors were chosen because of their high potential in terms of job creation.

SSACI is aiming at supporting governmental structures to implement national education policies and regulations. The funded projects are used as a "hard evidence" showing that different approaches are possible and bringing positive results. All projects have, beside the training component, an obligation to help the trainees to get their first employment. The Government of South Africa is central in closing the "skills gap" meaning the mismatch of skills acquired by youth in training institutions and the competence requirements of the private sector. This is why SSACI aims at having a systemic impact by offering its knowledge and know-how to the authorities.

Some of the original founding corporate sponsors are still financially supporting SSACI today. Others have stopped their commitment and new ones came on board. After almost ten years in existence, it became obvious that financial support from Swiss companies had to be complemented with substantial means from the South African private sector as well as from governmental sources.

Objectives and Scope

The evaluation will serve following purposes:

To strengthen SSACI's ability to implement the strategy and achieve systemic impact;

- To inform decisions by SSACI's Board of Trustees on improvements to the existing structures and operating procedures;
- To support the definition and the implementation of a funding strategy;
- To support SSACI's management to adapt to new challenges and requirements;
- To inform the decision making process on whether and how SDC can support SSACI beyond the present phase.

In essence, this evaluation should answer five key questions (in bold below). The other questions are mentioned for clarification purposes (the list is therefore not exhaustive).

- 1. Did SSACI reach a systemic impact and how can it go further ?**
 - What was achieved, could more have been achieved, is it a sustainable and quality achievement ?
 - Are the projects funded by SSACI serving the higher purpose of "systemic impact" ?
 - Are other actors trying to achieve the same objectives ?
 - Are they competitors to SSACI or potential allies ? Is SSACI sufficiently visible (in government circles and in the "skills" sector) ?
 - Is the approach of having projects to be used as "hard evidence" to convince authorities relevant ?
- 2. Has it been done well ?**
 - Is SSACI targeting the right audience ?
 - Is the message SSACI conveys "receivable" by South African authorities ?
 - Is the SSACI product interesting them ?
 - Does the SSACI product answers a need (aligned with national policies) ?
 - Should SSACI approach the authorities differently in order to reach a systemic impact ? How should it be done ?
- 3. Are the funded projects relevant ?**
 - Do they serve the higher purpose of systemic impact (are they used as hard evidence) ?
 - How are issues of HIV/AIDS and Gender addressed ?
 - Is the follow-up of the trainees sufficient once they have completed their training (in order to assess sustainability of training) ?
- 4. What are the priorities in terms of the implementation of the 2010+ strategy ?**
 - Within this framework what would the role of (a) SDC, (b) corporate sponsors, (c) SSACI trustees and (d) SSACI management be ?
 - More generally, should the various roles of the stakeholders be clarified ?
 - Does the Board of Trustees involves itself sufficiently in strategic thinking ?
- 5. Are the structure, the internal processes and the tools of SSACI adequate ?**
 - Does the M&E system function ?
 - Does it allow to inform the level of implementation of the strategy (i.e. systemic impact) ?
 - Do modern and efficient reporting tools exist ?
 - Are processes documented (is it actually necessary) ? Is their implementation consistent over time ?

Approach

The evaluation will comprise five distinct tasks leading to a set of **conclusions** and **recommendations**:

- briefing and information
- collection of data
- data analysis
- judgment of findings

The evaluator will depend primarily on written documentation. The data collection will be completed with interviews. It is the task of the evaluator to identify the relevant interlocutors.

The **methodology** will include:

- A review of all relevant SDC and SSACI documents (including Board meeting documents and project reports and evaluations);
- Interviews with Board members and SSACI personnel;
- Interviews with project partners;
- Interviews with other stakeholders such as corporate sponsors, SDC staff, DoL and SETA officials;
- An analysis on whether and how gender and HIV/AIDS issues are addressed by SSACI (internally or at project level);
- Feedback from Board members and SSACI personnel on initial findings, conclusions and recommendations that shall appear in the draft report.

Outputs

The deliverables shall be a **report** of maximum 25 pages (excluding appendices but including **executive summary** of maximum 2 pages) by mid-April 2010. A **draft report** (appendices will not be required at this stage) shall be delivered by end of March 2010.

The **report** will comprise:

- Documentation of data in a form comprehensible to third parties unfamiliar with the initiative.
- Conclusions and recommendations relevant to the particular interests of SDC, the SSACI Board of Trustees and the personnel of SSACI.

Time Frame

The time frame is estimated as follows:

- 3 days briefing, reviewing documents, preparing interview schedules, setting up appointments, etc
- 3 days interviewing trustees and personnel of SSACI
- 2 days interviewing other stakeholders
- 4 days data analysis, writing draft report
- 1 day preparing final report
- 1 day presenting findings to sponsors

So we are looking at a **maximum of 14 days of work**.

Expertise Required

- Be familiar with issues of development in South Africa and of national priorities and strategies, particularly in the field of vocational training, employment and youth development.
- Have experience in strategy evaluation and organisational analysis.
- Have experience of monitoring and evaluating development projects.

ANNEX 2: LIST OF PEOPLE INTERVIEWED

| | | |
|----------------------------|---|------------------------|
| Rudolph Baerfuss | Ambassador and <i>ex officio</i> SSACI Board member | Swiss Embassy |
| Dr. Claudia Beck-Reinhardt | Head: JIPSA Program | ECSECC |
| Jayesh Bhana | Consultant and ex-SSACI staff member | |
| Richard Chenevard | Deputy Resident Director | SDC |
| Ken Duncan | CEO | SSACI |
| Ruth Lewin | Head: Corporate Sustainability | Discovery Holdings |
| Carmel Marock | Proprietor | Singizi Consulting cc. |
| Thantshi Masitara | Programme Manager | SSACI |
| Steve Mommen | Director: FETCs | DHET |
| John Pampallis | Special Advisor to Minister Nzimande | DHET |
| Prof. Vasu Reddy | Acting Director: Gender & Development Unit Policy Analysis and Capacity Enhancement Programme | HSRC |
| Sandya Vadalankar | Head: CSI | Discovery Holdings |
| Monwabisi Vika | SSACI Board member | |
| Danita Welgemoed | Chief Education Specialist | WCDOE |

Note: Attempts were made to interview the Chair of the Board and the National Treasury Deputy Director but schedules did not permit this.

ANNEX 3: KEY REFERENCES CONSULTED

Boin A.: Capitalisation of SSACI Experience, December 2008

Development Communication Solutions: Stakeholders and SSACI: A picture of communication now and in the future, May 2008

Development Communication Solutions: Communication Audit: Evaluating the effectiveness of the Communication Strategy January 2009

Memorandum of Understanding between the Government of the Swiss Confederation and the Government of the Republic of South Africa on strengthening mutual cooperation, undated

Scarpetta S, Sonnet A and Manfredi T: Rising youth unemployment during the crisis: How to prevent negative long-term consequences on a generation? OECD Social, Employment and Migration Papers No. 106, April 2010

Schmidt E. and Mlotchwa F.: **External Evaluation of SSACI**, March-April 2005

Singizi cc: Knowledge Development: Vocational Training and Employability, March 2009

SSACI: **Annual Report** 2007/2008

SSACI: Supporting Youth Entrepreneurship in South Africa undated

SSACI: Strategy for 2010+ March 2009

SSACI: Activity Report 2008/2009 forthcoming

SSACI: Trustees Powers and Responsibilities undated

SSACI: Training South African Youths for Employment 2009

Swiss – Indian Chamber of Commerce & Swiss International Vocational Education and Training (SIVET) India: Project Update Report II December 2009

Swiss Federal Chancellery: The Swiss Confederation - a brief guide 2009

Zimmerman A, Angehrn I, Mlotchwa F.E. and Dube N.P: **SSACI Case Study**, November 2004

ANNEX 4

Outputs & Costs

In total, since 2001, SSACI's numerical outputs by December 2009 were:

| | Total |
|---|--------------|
| Total number of youths scheduled for training | 5'400 |
| Total number of youths enrolled for training | 5'180 |
| Total number of graduates from training | 4'120 |
| No. of formerly unemployed youths employed | 3'200 |
| No. of new micro-enterprises created | 378 |
| No. of existing businesses assisted | 649 |
| No. of new jobs created* | 1'360 |

*Excludes pre-existing jobs filled by SSACI graduates

The average cost-per-trainee is not so easily calculated today as it was in 2005, because several of our projects now involve systemic inputs in addition to skills training for the direct beneficiaries, e.g.: our FET colleges project involves in-service staff development for college lecturers, and the Human resources for Rural Health involves quite a lot of capacity development in provincial health departments.

Also, some projects create systems that producing cost-benefits over time, e.g. the first cohort of SSACI-funded trainees cost X, but costs drop as further cohorts come through the same training programme.

However, if we focus purely on the cost of the training inputs, the following calculation is probably pretty close to the mark

| Project | No. "Direct trainees" | Per capita cost |
|------------------------------|------------------------------|------------------------|
| Accelerated Artisans | 40 | 50'000 |
| Access to Technical Training | 40 | 12'000 |
| FET Colleges | 360 | 1'500 |
| Hospitality Skills for 2010 | 300 | 12'000 |
| HR 4 RH | 100 | 55'000 |

It would be misleading to calculate an average cost from these figures as the nature of the training is so different. For instance, the HR4H training is for a university degree in medicine while the HS2010 project involves unaccredited training for a job in a hotel.
